BRITISH COLUMBIA
The Best Place on Earth

BCStats

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Exports ◆ June 2010

- The value of British Columbia origin exports climbed 11.1% in the first half of 2010, compared to the first six months of 2009. There was growth in exports to most destinations, including BC's largest market, the United States (+2.8%). The main contributors to BC's overall export growth continue to be the Pacific Rim countries, particularly Mainland China (+36.7%), Australia (+35.2%), Taiwan (+10.9%) and Japan (+10.3%). After slumping severely in 2009, shipments to India have rebounded, soaring 342.2% year-to-date. There was a substantial rise in exports to Mexico in the last month compared to the same month a year ago (+748.9%) due to a large shipment of coal to that country, which drove year-to-date exports up 80.2% compared to the same period last year.

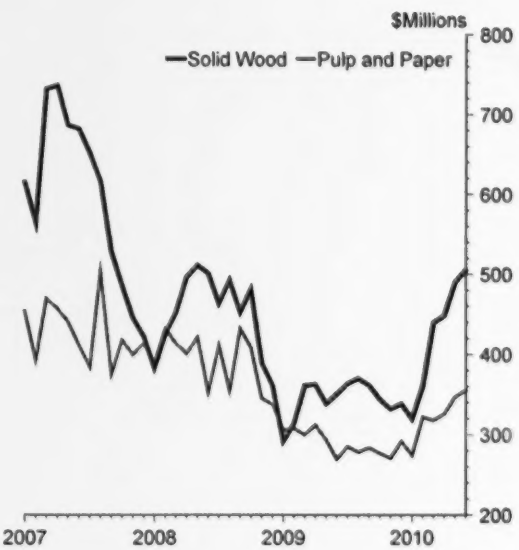
- Metallic mineral products recorded the largest percentage jump in exports, at 47.1%. Shipments of copper ores and concentrates soared 65.7% over the first half of 2009 and unwrought zinc also recorded a substantial increase (+64.3%). Exports of molybdenum ores and concentrates (+42.5%), unwrought aluminum (+7.5%) and other metallic mineral products (+33.6%) all experienced robust growth as well.

- The forest sector has rebounded somewhat in 2010, with exports of solid wood products jumping 27.0% and shipments of pulp and paper rising 8.6%. For pulp and paper, a 36.4% rise in shipments of pulp drove the entire increase as paper exports fell 28.3%. Part of the increase is the result of higher prices caused by pulp shortages arising from the February 27th earthquake in Chile, which caused significant damage to that country's pulp industry, and a lengthy strike at pulp and paper mills in Finland.

- Energy exports have risen 10.7% year-to-date as coal (+5.8%), natural gas (+10.1%), electricity (+24.8%) and other energy products (+67.0%) have all recorded a rise in shipments to international destinations.

- Despite the overall increase and strength in some of BC's key export industries, there continues to be weakness in some sectors. Machinery and equipment shipments dropped 3.3% over the first half of 2010, exports of fabricated metal products fell 5.8% and shipments of agricultural, food and fish products slumped 4.6%.

BC's forest sector exports have started to recover somewhat in 2010



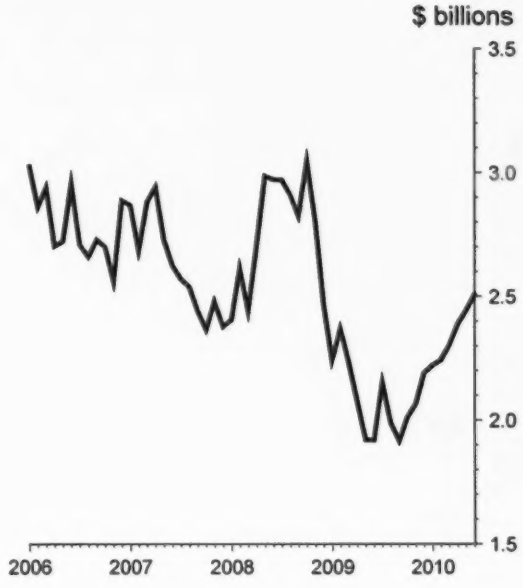
SEASONALLY ADJUSTED EXPORTS

Seasonal adjustment supplies a means of making month-to-month comparisons by removing the regular periodic seasonal fluctuations that occur. Variations from normal seasonal patterns are revealed in the seasonally adjusted data series.

- BC's exports climbed for the ninth consecutive month in June, rising 2.6%. Strong growth in exports of energy (+9.5%) and forest products (+4.9%) helped offset a 9.3% drop in shipments of industrial and consumer goods.

- Shipments to the United States increased 7.6% in June, while exports to the rest of the world actually dipped 1.9%, mainly as a result of a 13.3% slump in exports of industrial and consumer goods. A 30.5% jump in exports of energy products drove much of the increase in shipments to the United States.

Exports (adjusted for seasonality) have been climbing for nine straight months



BC Exports, Seasonally Adjusted ($Millions)

Month	Agriculture & Fish	Energy	Forest Products	Machinery& Equip, Auto	Industrial, Consumer	Total	Exports to USA
Jun 2008	186	966	783	327	711	2,972	1,525
Jul	181	1,067	802	323	597	2,971	1,619
Aug	201	856	756	344	755	2,912	1,424
Sep	209	862	803	329	623	2,826	1,392
Oct	220	1,010	838	349	627	3,044	1,557
Nov	211	927	744	344	585	2,810	1,426
Dec	207	778	696	323	464	2,468	1,295
Jan 2009	211	614	643	303	473	2,244	1,235
Feb	208	754	626	288	491	2,369	1,226
Mar	199	617	606	272	537	2,232	1,110
Apr	195	564	612	267	441	2,079	1,065
May	195	484	564	272	404	1,920	1,067
Jun	194	483	555	253	434	1,919	996
Jul	205	636	580	270	461	2,151	1,035
Aug	178	510	573	249	479	1,989	997
Sep	172	489	574	227	455	1,917	995
Oct	184	479	581	247	520	2,011	1,026
Nov	177	503	600	249	539	2,067	1,069
Dec	177	591	616	262	546	2,191	1,083
Jan 2010	176	629	648	259	510	2,221	1,123
Feb	189	581	683	246	544	2,243	1,090
Mar	189	593	685	255	580	2,303	1,141
Apr	185	659	724	263	558	2,389	1,130
May	182	671	746	258	587	2,443	1,147
Jun	187	735	782	269	532	2,506	1,233

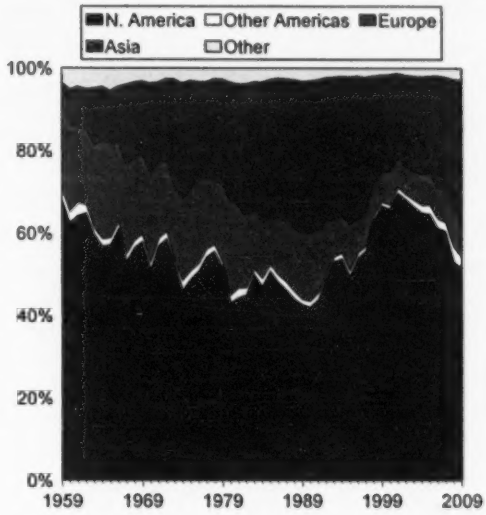
Fifty Years of BC Exports: 1959-2009

The composition of British Columbia commodity exports and the markets for those goods have undergone significant change over the last fifty years. Both the types of goods exported and the destination of those goods have become more diversified over time.

One thing that hasn't changed is the fact that British Columbia's largest market for exports remains the United States, but the percentage of shipments destined for that country has fluctuated over time. In 1959, roughly 68% of BC's commodity exports were shipped to the United States, compared to only 51% in 2009. From 1959 through 1990, shipments to the US trended down, reaching a low of 42% in 1990. As the tariff walls between Canada and the United States came down in the wake of the free trade agreement between the two countries, trade with the United States started to increase, both for BC and the rest of Canada. The combination of lower tariffs on BC products and a slumping Canadian dollar helped drive the American share of BC's exports up to a peak of almost 70% in 2001, before a higher dollar and a growing trade with Mainland China brought that ratio down to just over half of BC's overall exports.

The portion of BC's exports shipped to Asian destinations has climbed from only 7% in 1959 to almost 36% in 2009. Most of that increase was in trade to Japan, at least until the late 1990s, when Japan's economy slumped and its demand for BC's products also fell. BC's exports to Japan have never fully recovered from that decline, at least in terms of market share. From a peak of about 28% in 1990, Japan's share of BC's exports was only 14% in 2009.

There has been significant variation in the destination of BC's exports over the last 50 years



Source: BC Stats / Statistics Canada

In recent years, other Asian destinations have picked up the slack from Japan, particularly Mainland China. The value of BC exports to China jumped 325% from 1999 to 2009, such that China ranked third as a destination for BC exports in 2009 behind only the United States and Japan. South Korea and Taiwan ranked fourth and fifth respectively.

Top Five Destinations for BC Origin Exports, 1959 and 2009 ($Millions)

1959		2009	
United States	508.1	United States	12,904.4
United Kingdom	110.4	Japan	3,460.4
Japan	28.6	China	2,477.5
Australia	13.7	South Korea	1,662.3
Germany	13.7	Taiwan	463.1
Total	750.0	Total	25,087.9

Source: BC Stats / Statistics Canada

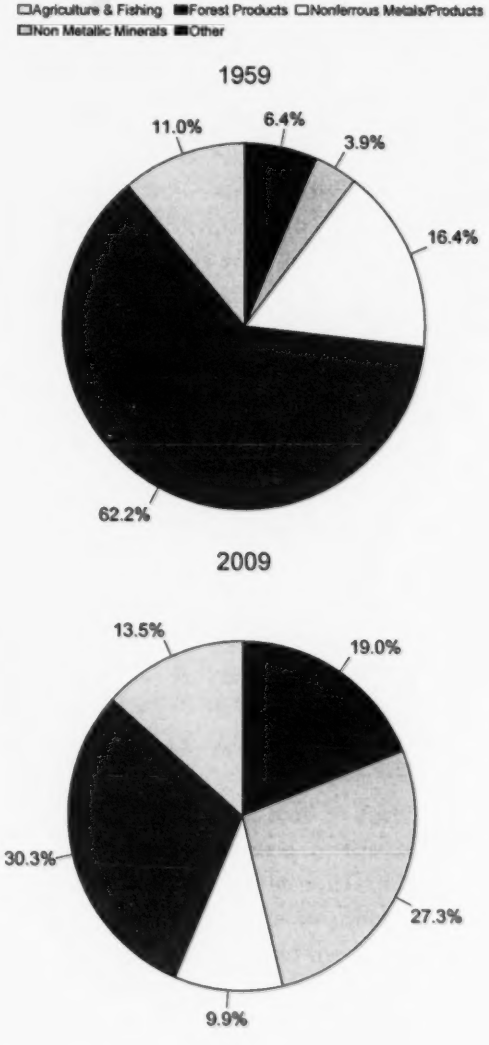
In 1959, Japan was the only Asian country ranked in the top five destinations for BC origin exports. It was ranked third behind the US and the United Kingdom. Australia and Germany rounded out the top five.

While the markets for BC's exports have changed significantly, the types of goods exported have undergone an even greater transformation. In 1959, forest products dominated BC's exports, comprising 62% of shipments to international destinations. This compares to just over 30% in 2009. Nonferrous metals and products thereof made up just over 16% of BC's exports in 1959, compared to only 10% fifty years later. BC's exports were far more diversified in 2009 and forest products were nowhere near as dominant. For example, exports of coal, natural gas and other non-metallic minerals[1] (27%) were almost equal that of forest products in 2009, whereas in 1959 they comprised only 4% of overall BC exports.

While resource-based commodities still make up a large portion of BC's exports, other goods, such as machinery and equipment and other manufactured goods, have become more important. This can be seen by the growth in the "other" category from just over 6% in 1959 to 19% in 2009.

There are a number of reasons for the transformation of BC's exports over the last five decades including changing markets, competition from countries in some product lines where there was none before and the evolution of new products and practises. It is inevitable that the types of goods BC produces and exports and the countries to which it ships these products will continue to change over time, such that fifty years from now, BC's export profile may have changed even more radically than it has over the last fifty years.

The compositon of BC's exports has changed substantially in the last 50 years



Source: BC Stats / Statistics Canada

[1] For simplicity, electricity is included in this category along with other energy products such as coal and natural gas even though electricity is clearly not a mineral.

Recent Feature Articles in Exports Release
Listed by Statistical Reference Date of Issue

10-06 *Fifty Years of BC Exports: 1959–2009* *(released July 2010)*

10-05 *Canada Okays Controversial Trade Deal with Colombia* *(released July 2010)*

10-04 *Canada Has Shown No Rush to Trade with Russia* *(released June 2010)*

10-03 *Energy Fuels BC's Trade with Washington State* *(released May 2010)*

10-02 *Economic Downturn Kept the Lid on Container Traffic in 2009* *(released April 2010)*

10-01 *Stormy Weather: BC Exports in 2009's Economy* *(released March 2010)*

09-12 *Provincial Export Comparison* *(released February 2010)*

09-11 *BC's Exports to Oceania Watered Down in 2009* *(released January 2010)*

09-10 *High Dollar Spurs Capital Investment* *(released December 2009)*

09-09 *BC's Pulp and Paper Exporters Facing Challenges* *(released November 2009)*

09-08 *China Continues to Buy BC Goods* *(released October 2009)*

09-07 *Energy Exports are Powering Down...For Now* *(released September 2009)*

09-06 *Adding Some Heat to Trade with India* *(released August 2009)*

09-05 *Trade with the Other Americas* *(released July 2009)*

09-04 *The State of Canada's Trade with the USA* *(released June 2009)*

09-03 *British Columbia's Trade Balance Tipped in Favour of Imports* *(released May 2009)*

09-02 *Fifteen Years of Free Trade with Mexico* *(released April 2009)*

09-01 *Twenty Years of Free Trade with the United States* *(released March 2009)*

08-12 *Canada Seeks Trade Deal with the European Union* *(released February 2009)*

08-11 *Adversity Leads to Diversity* *(released January 2009)*

08-10 *Import Content of BC's Exports* *(released December 2008)*

08-09 *BC's Trade in High Technology Goods* *(released November 2008)*

08-08 *Milking the System: Is Canada's Supply Management System an Impediment to Free Trade?* *(released October 2008)*

08-07 *Charting BC's Exports* *(released September 2008)*

08-06 *Bad News for Newsprint Exports* *(released August 2008)*

08-05 *Asia Offers Potential as a Destination for BC Exports* *(released July 2008)*

08-04 *The Price is Right for Coal Producers in BC* *(released June 2008)*

08-03 *Border Line Threats to Trade* *(released May 2008)*

NOTES

Countries Included Within World Regions:

(1) Western Europe: United Kingdom, Ireland, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Iceland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland.

(2) Eastern Europe: other Europe, including all of Russia, Georgia, Kazakhstan, Kyrgyzstan, Moldova, etc.

(3) South East Asia: Malaysia, Brunei Darussalam, Singapore, Myanmar, Kampuchea, Laos, Indonesia, Philippines, Thailand, Vietnam.

(4) Africa: continental Africa, excluding Ethiopia, Libya, Somalia, Sudan, Egypt.

(5) South America: continental South America from Colombia and Venezuela south to Chile and Argentina, including offshore islands, but not Caribbean.

(6) Central America and Caribbean: from Guatemala and Belize to Panama, plus Caribbean Islands.

(7) Pacific Rim (including Japan): Japan, Hong Kong, Malaysia, Brunei Darussalam, Singapore, Laos, Mongolia, China, Indonesia, North Korea, South Korea, Philippines, Macau, Taiwan, Thailand, Vietnam, Australia, Fiji, New Zealand.

(8) Pacific Rim: as above, but excluding Japan.

(9) Middle East: from Turkey and Iran south through the Arabian Peninsula. Excluding Afghanistan and Pakistan, but including Cyprus, Ethiopia, Egypt, Somalia, Sudan and Libya.

The **European Union** is the membership as of January 1, 2007: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom.

'Selected Value-added Wood Products' category includes prefabricated houses, doors, windows, furniture, moulding, siding, etc. It does not include panel products, shakes, shingles or any pulp and paper products.

Revisions

Statistics Canada revises trade data for the previous three data years with release of the December data. The revision number is indicated in the footer of the tables (e.g., Rev 1 is the first annual revision, etc., and Prelim indicates it is the first release of data to December for that year). In addition to annual revisions, Statistics Canada revises the data for the previous data year every quarter (indicated in the footer by Rev Q1, etc) as well as with the release of the January and February data.

Service Offered for Detailed Trade Statistics

For BC government statistics users requiring more detailed information on exports or imports, a special report service is offered through the address below:

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This service is provided through the Trade Research and Inquiry Package (TRIP) computer reporting system. TRIP offers user-defined tabulations of export or import statistics for BC, Canada, the United States and other countries. Tabulations can include information on commodities, countries, US states, years, months, mode of transport, etc.